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## **FUNDING STRATEGIES FOR CHINA'S CIVIL AVIATION EDUCATION AND TRAINING**

### **ABSTRACT**

About 90% of the financial support for CAAC- attached training institutions is from CAAC. CAAC obtains funding from enterprises. With the separation between the government and the enterprises going on, fund resource for those colleges and training schools will be a serious problem. Therefore, funding strategies must be considered and properly implemented to ensure the survival and healthy development of those institutions. To obtain funding from the government and the civil aviation enterprises will be our essential funding strategies.

### **I. SOURCE OF FUNDS FOR CHINA'S CIVIL AVIATION EDUCATION & TRAINING**

1.1 Currently, 90% of the funds for the running of the three colleges are from the government --( CAAC ).

There are three colleges under the direct leadership of CAAC. Civil Aviation Flight College in Guanghan, Sichuan Province is the cradle of China's pilots and air traffic controllers; Civil Aviation College in Tianjin specializes in aircraft maintenance, air traffic control, engineering and ground service commercial management; Civil Aviation Management Institute in Beijing specializes in training for middle and senior managers in civil aviation industry, such as: aviation transportation,

airport management, administrative management, airworthiness management, information management and foreign languages. The three colleges are almost fully funded by CAAC in the area of the construction of school buildings, teaching and research facilities, libraries and laboratories of all kinds. As for the funds for education and research projects, daily operation, technical improvement of the three colleges are also largely provided by CAAC. In fact, 90% of the operating funds except for limited tuition charges from the students are from the government.

1.2 Two Specialty Schools Under CAAC  
Specialty schools in Shanghai and Guangzhou conduct training in aviation mechanisms, maintenance transportation for airlines and airports. The school's funding, similar to those colleges, is 90% from the government; the only difference lies in that part of the funds are from the regional bureaus.

### **Training Centers of Airlines and Airports**

Some major airlines and airports in China operate their own training centers and specialty schools. Air China, for example, runs its own simulator and pilot training center. Beijing Capital Airports also has its own training center. Their operating funds are generated from airlines or airports themselves. In the

past, although airlines, airports and other aviation-related companies operate independently of CAAC administration, they are still CAAC-led state-owned enterprises. They turn in part of their profits to CAAC, from which CAAC allocates funds to its educational and training institutions. However, with the development of China's economic reform and restructuring within the government bodies, the administrative function of CAAC will be totally severed from the business operations of the enterprises, which means the profits made by the enterprises will not be turned in to CAAC. Therefore the fund resource for those colleges and schools will be a serious problem.

## FUNDING STRATEGIES

### To Keep Soliciting Support From the Government

#### To get direct government funding

According to China's Higher Education Law, China's institutions of higher learning are entitled to full fund allocation from the state. Therefore, all universities and colleges recognized by the state can still get financial support from the government. But for those under CAAC, though they could be financed through different government departments, will not be so sufficiently financed as what they used to be by CAAC, so they must come up with other ways to raise fund.

#### 1.2 To Provide Academic Services

To secure financial support by helping the government and enterprises with making rules and regulations; provision of valuable information and new thoughts on management. And at the same time, colleges and schools can act

as intermediate between government and enterprises providing all kinds of needed services.

With the deepening of reform in China, downsizing and restructuring of the government bodies have highlighted their administrative functions. Laws and regulation-making will be one of CAAC's major functions. Colleges and universities are able to take the advantages of the talents to help government in those respects.

Decision making, one of the most important tasks of government and enterprises takes sufficient and accurate information. Vast amount of work needs to be done in information collection, classification and selection. From now on, colleges could start setting up aviation-related information bank and provide paid service to government and enterprises whenever needed.

Colleges are always the places where new ideas are received and conceived. Colleges should not only promote the progress of academic research but should also actively introduce new ideas and expertise on management to government, making them both social and economic beneficial. If those endeavors are successful and have gained credit and reputation from the government, then it is time for colleges to establish intermediate agencies between government and enterprises, which could therefore secure the necessary financial support in its due course.

#### 1.3 To Become Authorized Professional Training Center

Recently, it has been stipulated by the Ministry of Labor and Personnel that all those who are engaged in technical or management work are required to take induction training courses and obtain the professional certificate before they start to work. Anyone who fails the exam is not entitled to work in that profession. The technical professional certificate is issued by the state and is recognized nationwide.

Aviation-related professional training, due to its specific characteristics, has to be done by aviation colleges. Experience has shown that it produces good result. Currently, the requirement of holding professional certificates is only limited to certain professions within CAAC, therefore, there left much room for aviation colleges to conduct professional training up to the state requirements. Such short-term professional training can yield good financial results.

#### To Secure Funding by Conducting Scientific Research Programs for the Government.

Each year, the government proposes lot of scientific research programs and allocates considerable amount of funding to those who conduct the programs. As long as aviation colleges are capable of undertaking the program and are successful in getting the approval to conduct, they could always get sufficient funds to carry out the program.

### **TO GET FINANCIAL SUPPORT FROM AVIATION ENTERPRISES**

#### 2.1 To Provide High-Level Training

In spite of the fact that large aviation enterprises have their own training centers, not all training activities can be delivered by themselves. Take MBA

course as an example, the course is very useful to top management of the airlines. but it is unnecessary for airlines to conduct such course. This is where the aviation colleges' role comes in. They could provide MBA course to top management of airlines and airport. What's more, lots of small enterprises do not have their own training centers, they largely depend on colleges for training. So by providing customized courses to aviation enterprises could be another way of fund raising.

#### 2.2 Consulting Service

To provide aviation enterprises with comprehensive services, such as consultation to get involved in enterprise management, technology transform and research project, etc.

#### To Raise Funds From Aviation Industry and Society

Airlines and other enterprises are purchasers and users of new products made by aviation manufacturers, therefore they will be given training on new technology and management; those training are usually long term and with the purpose of image build-up. In most cases, manufacturers prefer to deliver training to college instructors first (train the trainers) and then contract the training to those trained instructors. Training is usually financed by manufacturers. Such opportunities, fully utilized by colleges, could be mutually beneficial to both colleges and manufacturers.

In order to establish reputation, some manufacturers are willing to make investment to colleges. It comes in many forms---- providing funds; rewarding instructors and students; sponsoring instructors and students to study abroad.

Some public celebrities who are either interested in aviation industry or public interests are also willing to make investment in aviation colleges. If the running of aviation colleges are commercialized, it is possible for individuals to invest in the operation of colleges.

#### Fundraising From Overseas

CAMI, for example, receives support from Canadian government through CIDA funded bilateral project.

There are also quite a few foreign firms who are investing in aviation colleges and schools. The three major engine manufacturers in the world (GE, RR and PW) have been supporting aviation training undertakings of China.

#### CONCLUSIONS

With the development of science and technology, there will be more and more new technologies to be applied and promoted. As long as aviation colleges keep pace with the development, there will be increasing training opportunities for us. We should at one hand keep soliciting support from the government, but on the other hand, we should depend on ourselves and assume sole responsibility for profits and losses. To conclude, we need to adopt the following philosophy in an effort to raise funds for aviation education and training ---- to seek opportunities for development while struggling for survival and to guarantee survival through successful development